

### **REMARKS**

In view of the above amendments and discussion to follow, reconsideration and allowance of this application are respectfully requested.

Applicant's undersigned attorney wishes to thank Examiner Winter for the courtesies extended to applicant's attorney in the telephone interview conducted on June 10, 2009. In reference to the pending 35 U.S.C. 101 rejections, the Examiner indicated that amending the claimed process to include the use of computers and a network, where appropriate, would suffice to effectively attach the claimed process to a particular apparatus and thereby represent statutory subject matter.

In reference to the Examiner's comments that certain claims recite optional or conditional elements, the Examiner suggested replacing the words "upon" and "associated" within the claims with language that is more specific.

In reference to the pending 35 U.S.C. 103(a) rejections, the Examiner suggested amending the claims to better tie together the individual steps of the claimed process, to use negative limitations where appropriate and to combine claimed elements in a manner that results in a combination that is novel over the cited prior art of record.

In accordance with the discussion during the telephone interview, applicant is submitting the amendments and arguments herein.

#### **Statutory Subject Matter**

Claims 38-85 and 88 were rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. In accordance with the court's holding in *In re Bilski*,

No. 2007-1130, slip op at 119 (Fed. Cir. Oct. 30, 2008), a process is statutory under 35 U.S.C. 101 if it (1) is tied to another statutory class such as a particular apparatus or (2) transforms underlying subject matter to a different state or thing. Independent claim 38 has been amended to recite “generating a funds-access code including the steps of generating a random code that is the funds-access code, creating and storing a record representing the fund access code in a database on a computer readable medium accessible to a network attached computer, and linking the fund-access code record to a financial instrument containing funds.” Moreover, amended independent claim 38 now also recites “validating the presented funds-access code including the steps of transmitting by the distributor the presented fund-access code and recipient information via a remote network attached computer, comparing the transmitted fund-access code and recipient information with the information in the fund-access code record in the database, and receiving by the distributor confirmation of the validity of the presented fund-access code via the remote network attached computer” and “activating by the distributor a carryable funds-access device after receiving confirmation of the presented fund-access code including the steps of activating one of multiple inactive carryable funds-access devices located at the distributor’s location, creating and storing a funds-access device record representing the activated funds-access device in the database, and linking the funds-access device record to the financial instrument that is currently linked to the fund access code record.” Independent claims 49, 60 and 73 have been similarly amended. Support for these amendments may be found at least at in Figs. 1 and 9-12 of the drawings. As such, the claimed invention of the present application, a secure transfer of funds, is now tied to a particular apparatus. Specifically, in accordance with the Examiner’s comments, the secure transfer of funds is now tied to a database on a computer

readable medium accessible to network attached computer, these elements being necessary to the invention and not representative of extra-solution activity.

In view of the foregoing, it is submitted that the claimed invention as recited in independent claims 38, 49, 60 and 73, and their dependent claims, represents statutory subject matter. It is therefore requested that the rejection of these claims under 35 U.S.C. 101 be withdrawn.

Claim Rejections Under 35 U.S.C. 103(a)

Claims 38-85 and 88 were rejected under 35 U.S.C. 103(a) as being unpatentable in view of Walker et al (US Patent 6,163,771) ("Walker") in view of Gifford (US Patent 6,049,785). Applicant has amended independent claim 38, in accordance with the Examiner's suggestions, to better tie together the individual steps of the claimed process and to include elements whose combination provides a result that is novel over the cited prior art of record. More particularly, as discussed above, independent claim 38 has been amended to include a validation step which recites "validating the presented funds-access code including the steps of transmitting by the distributor the presented fund-access code and recipient information via a remote network attached computer, comparing the transmitted fund-access code and recipient information with the information in the fund-access code record in the database, and receiving by the distributor confirmation of the validity of the presented fund-access code via the remote network attached computer." Moreover, independent claim 38 has been amended to better define the activation step which now recites "activating by the distributor a carryable funds-access device after receiving confirmation of the presented fund-access code including the steps of creating and

storing a funds-access device record representing the activated funds-access device in the database, and linking the funds-access device record to the financial instrument that is currently linked to the fund access code record.” Independent claims 49, 60 and 73 have been similarly amended. It is submitted that the cited references do not teach or suggest either the individual validation and activation steps or the resulting combination which includes these steps as recited in amended independent claims 38, 49, 60 and 73. Support for these amendments may be found at least on page 3, line 30-page 4, line 18 and page 21, line 5-page 22, line 6 of the specification.

The cited references do not, either individually or in combination, teach or suggest a distributor validating a presented funds-access code and activating a carryable funds-access device after receiving confirmation of the presented fund-access code as recited in amended independent claim 38.

Walker, as noted by the Examiner, discloses activating a smart card device (Office Action, page 3, lines 10-15). Specifically, as shown in Fig. 11, Walker discloses a smart card including a keypad 103, a display screen 102, a memory 104 and a CPU 101 containing a cryptographic processor. The smart card is activated prior to each use through the input of a unique cardholder identifier such as a personal identification number (PIN) through the keypad 103 (col. 5, lines 55-58). Alternatively, the smart card may include a biometric interface 105, and be activated by the input of a suitable biometric record such as the cardholder’s fingerprint (col. 5, lines 58-61). Once the smart card is activated prior to each use, the cardholder uses the smart card to generate a transaction-specific, single use card number which is used to make a purchase (col. 7, lines 17-18).

In operation, as shown in Fig. 3 of Walker, the cardholder first inputs his PIN or biometric data to access the device (step 351) (col. 6, lines 18-20). If access is granted, the smart card responds by generating a single-use credit card number or, optionally, first queries the cardholder to enter the amount of the purchase (step 356) or a merchant code number provided by a merchant (col. 6, lines 22-28). The cardholder transmits the single-use number to the merchant (step 361) and the merchant enters the single-use number into an authorization terminal connected to a central credit card processing system maintained by the credit card issuer (step 362) (col. 6, lines 39-43). The number is sent to the credit card processing system for authorization (step 363) (col. 6, lines 44-46). A central system processor maps the single-use credit card number onto a conventional credit card account and determines whether the transaction is authorized (step 380) (col. 6, lines 46-49). If the transaction is authorized, an authorization code is transmitted to the display on the merchant's authorization terminal (step 390) (col. 5, lines 49-51).

As illustrated from the above discussion, Walker discloses a smart card that is accessed prior to each use by entering the same PIN and, once accessed, generates a transaction-specific, single-use credit card number that is subsequently mapped onto a conventional credit card account. However, Walker does not disclose the activation of the smart card prior to its initial access, activation including activating one of multiple inactive smart cards located, creating and storing a record representing the activated smart card and linking the smart card record to an existing financial instrument. Moreover, Walker is silent as to validation of the cardholder prior to activation of the smart card, validation including transiting a cardholder supplied access code and cardholder information, comparing the transmitted access code and accompanying

cardholder information with the information in a database record linked to the access code and receiving confirmation of the validity of the cardholder.

Accordingly, Walker does not teach or suggest either the validating step or the activation step of the present invention as recited in amended independent claims 38, 49, 60 and 73.

Gifford also does not teach or suggest those features missing from Walker, as discussed above. Specifically, Gifford discloses a system for purchasing goods or information over a computer network in which authentication is obtained from a card containing a list of one-time authorization strings. (Col. 11, Lines 29-41). In operation, the user is queried for a transaction identifier that is the next string from a physical list of one-time authorization strings, the user crossing strings off of the card as they are used. The supplied authorization string is subsequently checked against the next expected string from the sender using a database holding a list of random authorization strings for each sender or a sender specific secret key that was used to generate the list of authentication strings.

Therefore, Gifford discloses supplying a user with a card containing a list of one-time authorization strings used for authenticating network based purchases. However, Gifford does not disclose activation of the card or the list of authorization strings prior to issuing the card or using the first authorization string. Moreover, Gifford is silent as to the validation of the user prior to issuing the smart card or using the first authorization string.

Accordingly, Gifford also does not teach or suggest either the validating step or the activation step of the present invention as recited in amended independent claims 38 49, 60 and 73. Hence, the combination of Walker and Gifford does not make obvious the claimed invention as recited in independent claims 38, 49, 60 and 73. It is therefore requested that the rejection of

the claims under 35 U.S.C. 103(a) as being unpatentable in view of Walker in view of Gifford be withdrawn.

#### Dependent Claims

In addition, as previously argued, various dependent claims recite features that are neither shown nor suggested in the cited prior art.

Claims 39, 50, 61 and 74 recite the that financial instrument is an instrument representative of a funds-transfer. Walker discloses a method and a device to facilitate secure electronic commerce which requires the beneficiary (vendor) to supply a good or service to the customer. Hence, Walker does not disclose or suggest a method in which the beneficiary, once in possession of a funds-access code, does not interact with the customer as in the secure funds-transfer method recited in the independent claims of the present invention.

Claims 40, 51, 62 and 75 recite that the financial instrument is a check and the funds-access code is a check number. The Examiner asserts that the process in Walker is analogous to using a check number (Office Action, page 5, lines 8-11). Whether or not a check number is analogous is not determinative of whether one would find it obvious to modify Walker so that a check is used as the financial instrument and the code is the check number. In fact, given the teachings of Walker, employing a check in Walker is contrary to its teaches and would defeat the described benefits of using the smart card in this cited reference.

Claims 43, 54, 67 and 80 recite the funds-access device is an ATM card and the personal code is a corresponding PIN, and the step of accessing the funds is carried out by the recipient supplying the ATM card and the PIN to an automatic teller machine. Walker, as well as Gifford,

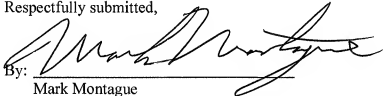
is completely devoid of any use or mention of an ATM card that is then utilized via use of the Pin to access funds.

Claims 44 and 68 recite that accessing the funds is carried out by the steps of the recipient requesting a designated amount of cash, dispensing the requested cash by the automatic teller machine, and updating the financial instrument associated with the funds to reflect dispensing of the designated amount of cash to the recipient. As discussed above, Walker does not disclose or suggest the recipient (vendor) using an automatic teller machine.

Claim 88 recites that accessing the funds comprises supplying to the recipient the funds in the form of cash. It is submitted that neither of cited art is at all concerned with supplying cash to a recipient.

In light of the foregoing, reconsideration and allowance of this application are respectfully requested.

Respectfully submitted,

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